

City of South Bend
Administration & Finance Policy Manual



2.3 Cash Reserve Policy

Effective: January 1, 2010

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- Purpose:** This policy defines the cash reserve policy of the City of South Bend.
- Scope:** This statement applies to all governmental units, enterprise operations, and operations of the City of South Bend.
- Responsibility:** This policy is the responsibility of the Controller of the City of South Bend. Changes or revisions to this policy are affected only with the consent and approval of the Controller.
- Effective Date:** This policy is effective January 1, 2010.
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1.0 Policy Statement

The City of South Bend will establish cash spending reserves in certain funds, as defined by the Mayor and the Controller, to hold cash reserves to serve as fiscal protection against the risk of revenue shortfalls, emergencies, unstable property tax collection, and other economic risks that may impact the City's ability to meet financial obligations and commitments.

Such cash reserves, may also serve as a mechanism to maintain credit agency and bond ratings to ensure creditworthiness and borrowing capacities, in the event they are required, at the lowest cost.

- 1.1 The Mayor and the Controller, jointly, will have authority to define the cash reserve guidelines in effect for the City of South Bend.
- 1.2 Cash reserve guidelines, are targets, established for the intentions as stated in paragraph 1.0 of this policy, and may not be adhered to at all times due to unforeseen circumstances.
- 1.3 The city will review the cash reserve policy from time to time to determine if economic conditions and circumstances warrant consideration of revision to the in effect cash reserve procedures.